

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CARPENTERS PENSION AND ANNUITY FUND
OF PHILADELPHIA AND VICINITY and
EDWARD CORYELL
1803 Spring Garden Street
Philadelphia, PA 19130

Plaintiffs

v.

MICHAEL DOUGHERTY
10209 Elseswick Road
Philadelphia, PA 19114

Defendant

CIVIL ACTION

NO.

COMPLAINT

Plaintiffs, by undersigned counsel, complain about Defendant as follows:

JURISDICTION

1. This Court has jurisdiction over the subject matter of this action under 29 U.S.C. §1132(a) and 28 U.S.C. §1331.

2. A copy of this Complaint has been served on the Secretary of Labor and the Secretary of Treasury of the United States or their designated agents by certified mail.

VENUE

3. Venue lies in the Eastern District of Pennsylvania under 29 U.S.C. §1132(e)(2) and 28 U.S.C. §1391(b)(2).

PARTIES

4. Plaintiff Carpenters Pension and Annuity Fund of Philadelphia and Vicinity ("Fund")

is a trust fund established under 29 U.S.C. §186(c)(5) and a "multiemployer plan" and "employee benefit plan" within the meaning of 29 U.S.C. §1002(37), (2) and (3).

5. The Fund maintains its principal place of business and is administered from offices located in the Eastern District of Pennsylvania.

6. Plaintiff Edward Coryell ("Coryell") is an individual fiduciary of the Fund within the meaning of 29 U.S.C. §1002(21) and duly authorized to represent the full Board of Trustees of the Fund in this action.

7. Defendant Michael Dougherty ("Defendant") is an individual and a participant in the Fund within the meaning of 29 U.S.C. §1002(7) with an address listed in the caption.

FACTUAL BACKGROUND AND CLAIM FOR RELIEF

8. Pursuant to the provisions of the Fund's plan of benefits, participants are eligible for loans from the Fund for certain specified purposes.

9. On or about March 1, 1997, Defendant applied for and was granted a loan from the Fund in accordance with provisions of the Fund's plan of benefits.

10. In connection with the loan and pursuant to the terms of the Fund's plan of benefits, Defendant executed and delivered to the Fund a Promissory Note ("Note") in the original principal amount of Nine Thousand Eight Hundred Ninety Two Dollars (\$9,892.00). A true and correct copy of the Note is attached as Exhibit 1 and incorporated by reference.

11. The Note provides, in pertinent part, that Defendant agreed to pay the original principal amount plus interest at the rate of 9% in 179 monthly payments of \$100.33 with a final payment of \$100.99. All installment payments under the Note were to be paid to the Fund at its office located at 1803 Spring Garden Street, Philadelphia, PA 19130.

12. The Note provides for the assessment of a late charge equal to three percent (3%) of the amount of the installment if the monthly payment is not received by the 15th of the month.

13. Defendant has defaulted under the terms of the Note and the Fund's plan of benefits by failing to pay any monthly installment when due.

14. By letters dated January 16, 2003, February 20, 2003, March 17 and 18, 2003 ("Default Letters"), the Fund notified Defendant of the default and that, absent arrangements to cure the default, the Fund would file a collection action. A true and correct copy of the Default Letters are attached as Exhibit 2 and incorporated by reference.

15. Defendant has failed to cure the default.

16. As a result of the default, the entire unpaid principal amount of the loan, together with accrued interest thereon and late charges, has become immediately due and payable under the Note and the Fund's plan of benefits.

17. The following amounts are presently due and owing under the terms of the Note and the Fund's plan of benefits:

Principal balance	\$7,496.45
Interest through May 31, 2003	\$402.09
Late fees through May 31, 2003	\$24.27
TOTAL	\$7,922.81

18. Defendant has failed to pay the Fund the accelerated balance due and owing under the Note and the Fund's plan of benefits.

WHEREFORE, the Fund asks that the Court:

(1) Enter judgment against Defendant and in favor of the Fund in the amount of

\$7,922.81 together with interest from June 1, 2003 at the rate of 9% as set forth in the Note until paid.

(2) Enter judgment against Defendant and in favor of the Fund for all attorney's fees and costs incurred by the Fund in connection with this action, including the fees and costs to collect any judgment, in accordance with 28 U.S.C. §1132(g)(1).

(3) Grant such other or further relief, legal or equitable, as may be just, necessary or appropriate.

JENNINGS SIGMOND, PC

BY: S/ RICHARD DeFORTUNA
RICHARD DeFORTUNA (ID NO. 86260)
The Penn Mutual Towers, 16th Floor
510 Walnut Street
Philadelphia, PA 19106-3683
(215) 351-0660
Attorney for Plaintiffs

Date: 5/19/03

**CARPENTERS PENSION AND ANNUITY FUND
LOAN APPLICATION**

SECTION D - PROMISSORY NOTE TO REPAY LOAN - RULES AND REGULATIONS

I hereby apply for a loan in the amount of \$ 9892.00 at 9 % Interest, with 179 Monthly Payments of \$ 100.33, and the final payment of \$ 100.99. My first payment is due 5/1/97. This Loan is made under the rules and regulations of the Carpenters Pension and Annuity Fund. I understand this loan is subject to interest at a fixed rate for the life of the loan. I also understand that the loan, and any interest, must be entirely repaid within five (5) years or fifteen (15) years from the date of the making of the loan. I agree to repay the loan in equally monthly installments.

All Loans are limited to the amount of Money actually required for the purpose indicated above, or 50% of the amount in the Applicant's Account, but in no case more than \$50,000 or less than \$2,000.00.

I fully understand that once I make a loan, I can not be approved for another loan for five (5) years from the initial Loan date.

I understand that any payment by the Trustees pursuant to this application constitutes a loan and not a distribution of money from my individual account.

I understand that my monthly payment is due on the 1st of each month. I further understand that if my payment is not received by the 15th of each month, a late charge of 3% of the scheduled payment will be applied.

I understand that when a regularly monthly scheduled payment is NOT received by the Fund Office by the end of the calendar quarter following the calendar quarter in which the payment was due, a default will occur.

I understand that a late payment or a default in the repayment of the outstanding loan will result in immediate assignment of any Cafeteria Benefit pledged by me and that such may be disposed of to satisfy the loan.

I understand that only one loan may be outstanding from the Fund at any time and the repayment of an outstanding loan shall not be a valid reason for the granting of another loan.

Member please sign and date.

Signature

Date

Please send this completed form with all supporting documentation to the Carpenters Pension and Annuity Fund Office, 1807 Spring Garden Street, Phila, PA 19130, Attention: Annuity Loan Department.

FOR OFFICE USE ONLY

Approved on behalf of the Carpenters Pension and Annuity Fund

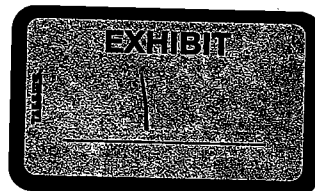
Yes

No

Date

Edward Coryell, Co-Chairman

Walter P. Palmer, Jr., Co-Chairman





CARPENTERS

PENSION AND ANNUITY FUND OF PHILADELPHIA & VICINITY

1807 SPRING GARDEN STREET
PHILADELPHIA, PA 19130-3998
215-568-0430 • FAX 215-569-0368
email: fundadmin@philacarpenter.org
website: philacarpenterfunds.org

BOARD OF ADMINISTRATION

LABOR	MANAGEMENT
Edward Coryell Co-Chairman	Walter P. Palmer, Jr. Co-Chairman
Larry Dunn	Frank Boyer
John W. Hooven	James R. Davis
Carl B. Miller	Frank T. Lutter
Guy Pigliacelli	James F. Sassaman
	James H. Sullivan

CO-COUNSEL
Jennings Sigmond, P.C./Harry Reagan, Esq.

January 16, 2003

199-68-9419
MICHAEL DOUGHERTY
10209 ELSWICK ROAD
PHILA PA 19114

Dear Member:

Please be advised that your loan is Close to falling into default. As explained to you in your Application, on your Benefit Calendar and in your Carpenter's Regional Report certain penalties must be enforced if your loan enters default status.

The following list highlights those penalties:

- 1.) You can no longer pay the loan back in monthly installments, the full amount of the loan (Principle + Interest) must be paid back in one lump sum.
- 2.) A Deemed Distribution occurs.
- 3.) Taxes must be paid on the full amount of the loan.
- 4.) A 10% penalty must be paid on the full amount of the loan if you are under age 59 1/2.
- 5.) You will also incur late fees and Attorney fees.

Please take this situation seriously. To avoid a default you must satisfy your outstanding loan requirements and pay your scheduled monthly installments on time. If you fail to do so or if you continue in your delinquency to the Fund, the Board of Administration will be left with no option but to pursue its legal remedies without further notice to you. A Delinquency Notice is included as a reminder.

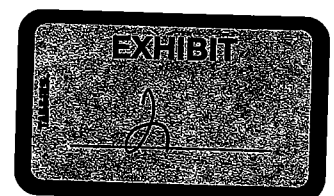
If you have any questions please do not hesitate to call the Annuity Loan Department at (215) 568-0430 ext. 223.

Truly Yours,

Mary Hackett

Mary Hackett
Pension, Annuity & Savings Plan Manager

MH/dmk
enclosure



CARPENTERS' BENEFIT FUNDS
1803 SPRING GARDEN STREET
PHILADELPHIA PA 19130

MICHAEL DOUGHERTY
10209 ELSIESWICK ROAD
PHILA PA 19114

Soc. Sec. Nbr. 199-68-9419
Local Union # 122

Dear Member:

1/15/2003

Our Records indicate that we have not received the following Loan Payments as of the date of this notice.

DUE DATE	AMOUNT	LATE FEES	TOTAL DUE
12/01/2002	\$100.33	\$3.01	\$103.34
1/01/2003	\$100.33	\$3.01	\$103.34

Please remit your payment in the amount of \$206.68, which includes late fees in the amount of \$6.02 to the Fund Office immediately. If payments have been made, please disregard this notice.

**** Reminder**** A loan default occurs when your monthly payment is not received by the end of the calendar quarter following the calendar quarter in which the payment is due.



CARPENTERS

PENSION AND ANNUITY FUND OF PHILADELPHIA & VICINITY

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Frank T. Lutter
James F. Sassaman
James H. Sullivan

CO-COUNSEL
Jennings Sigmund, P.C./Harry Reagan, Esq.

February 20, 2003

199-68-9419

MICHAEL DOUGHERTY
10209 ELSIEWICK ROAD
PHILA PA 19114

Dear Member:

Please be advised that your loan is Close to falling into default. As explained to you in your Application, on your Benefit Calendar and in your Carpenter's Regional Report certain penalties must be enforced if your loan enters default status.

The following list highlights those penalties:

- 1.) You can no longer pay the loan back in monthly installments, the full amount of the loan (Principle + Interest) must be paid back in one lump sum.
- 2.) A Deemed Distribution occurs.
- 3.) Taxes must be paid on the full amount of the loan.
- 4.) A 10% penalty must be paid on the full amount of the loan if you are under age 59 1/2.
- 5.) You will also incur late fees and Attorney fees.

Please take this situation seriously. To avoid a default you must satisfy your outstanding loan requirements and pay your scheduled monthly installments on time. If you fail to do so or if you continue in your delinquency to the Fund, the Board of Administration will be left with no option but to pursue its legal remedies without further notice to you. A Delinquency Notice is included as a reminder.

If you have any questions please do not hesitate to call the Annuity Loan Department at (215) 568-0430 ext. 223.

Truly Yours,

Mary Hackett

Mary Hackett
Pension, Annuity & Savings Plan Manager

MH/dmk
enclosure

CARPENTERS' BENEFIT FUNDS
1803 SPRING GARDEN STREET
PHILADELPHIA PA 19130

MICHAEL DOUGHERTY
10209 ELSIEWICK ROAD
PHILA PA 19114

Soc.Sec.Nbr. 199-68-9419
Local Union # 122

Dear Member:

2/20/2003

Our Records indicate that we have not received the following Loan Payments as of the date of this notice.

DUE DATE	AMOUNT	LATE FEES	TOTAL DUE
12/01/2002	\$100.33	\$3.01	\$103.34
1/01/2003	\$100.33	\$3.01	\$103.34
2/01/2003	\$100.33	\$3.01	\$103.34

Please remit your payment in the amount of \$310.02, which includes late fees in the amount of \$9.03 to the Fund Office immediately. If payments have been made, please disregard this notice.

**** Reminder**** A loan default occurs when your monthly payment is not received by the end of the calendar quarter following the calendar quarter in which the payment is due.



CARPENTERS

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Frank T. Lutter
James F. Sassarian
James H. Sullivan

CO-COUNSEL

Jennings Sigmund, P.C./Harry Reagan, Esq.

March 17, 2003

199-68-9419
MICHAEL DOUGHERTY
10209 ELSIEWICK ROAD
PHILA PA 19114

Dear Member:

Please be advised that as of April 1, 2003 your loan will fall into default. As explained to you in your Application, on your Benefit Calendar and in your Carpenter's Regional Report certain penalties must be enforced if your loan enters default status.

The following list highlights those penalties:

- 1.) You can no longer pay the loan back in monthly installments, the full amount of the loan (Principle + Interest) must be paid back in one lump sum.
- 2.) A Deemed Distribution occurs.
- 3.) Taxes must be paid on the full amount of the loan. You will receive a 1099R form in the year in which you default.
- 4.) A 10% penalty must be paid on the full amount of the loan if you are under age 59 1/2.
- 5.) You will also incur late fees and Attorney fees.

This is a very serious situation. Please consult a tax advisor for information concerning your financial well-being.

If you have any questions please do not hesitate to call the Annuity Loan Department at (215) 568-0430 ext. 223.

Sincerely,

Mary Hackett

Mary Hackett
Pension, Annuity & Savings Plan Manager

MH/dmk
enclosure

CARPENTERS' BENEFIT FUNDS
1803 SPRING GARDEN STREET
PHILADELPHIA PA 19130

MICHAEL DOUGHERTY
10209 ELSSEWICK ROAD
PHILA PA 19114

Soc.Sec.Nbr. 199-68-9419
Local Union # 122

Dear Member:

3/17/2003

Our Records indicate that we have not received the following Loan Payments as of the date of this notice.

DUE DATE	AMOUNT	LATE FEES	TOTAL DUE
12/01/2002	\$100.33	\$3.01	\$103.34
1/01/2003	\$100.33	\$3.01	\$103.34
2/01/2003	\$100.33	\$3.01	\$103.34
3/01/2003	\$100.33	\$3.01	\$103.34

Please remit your payment in the amount of \$413.36, which includes late fees in the amount of \$12.04 to the Fund Office immediately. If payments have been made, please disregard this notice.

**** Reminder**** A loan default occurs when your monthly payment is not received by the end of the calendar quarter following the calendar quarter in which the payment is due.



CARPENTERS

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James F. Sesserman
James H. Sullivan

CO-COUNSEL
Jennings Sigmund, P.C./Harry Reagan, Esq.

March 18, 2003

Michael Dougherty
10209 Elseswick Road
Philadelphia, PA 19114

Dear Mr. Dougherty:

As you are aware, you have borrowed money from the Fund in the amount of \$9,892.00 and have failed to repay it in accordance with the terms of the loan. This failure could result in extremely serious consequences to your legal rights and those of your family.

You are strongly encouraged to immediately commence payment of this loan. In that regard, you are directed to contact the Carpenters Pension and Annuity Loan Department at 215-568-0430, ext. 223. If you fail to do so or if you continue in your delinquency to the Fund, the Board of Administration will be left with no option but to pursue its legal remedies without further notice to you.

If you or your legal counsel should have any questions regarding the above, please do not hesitate to contact me.

Very truly yours,

Mary Hackett
Carpenters Pension & Annuity Plan Manager

MH/dmk
cc: File